



## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

#### **Allegheny Energy Announces Exchange Offer for 7.80% Notes Due 2011**

**Hagerstown, Md., January 14, 2002** – Allegheny Energy, Inc. (NYSE: AYE) announced today that its electric generation and trading subsidiary, Allegheny Energy Supply Company, LLC, has commenced an exchange offer for all of its outstanding 7.80% Notes due 2011. Allegheny Energy Supply is offering to exchange up to \$400 million aggregate principal amount of its 7.80% Notes due 2011, which have been registered under the *Securities Act of 1933*, as amended, for a like principal amount of its original unregistered 7.80% Notes due 2011, which were issued pursuant to Rule 144A on March 15, 2001. The terms of the exchange notes are substantially identical to the terms of the original notes for which they are being exchanged, except that the transfer restrictions and registration rights applicable to the original notes do not apply to the exchange notes.

Allegheny Energy Supply will accept for exchange any and all original notes validly tendered on or prior to 5 p.m., E.S.T., on the date the exchange offer expires, which will be February 22, 2002, unless the exchange offer is extended.

The exchange offer is made pursuant to Allegheny Energy Supply's prospectus, dated January 8, 2002, which has been filed with the Securities and Exchange Commission (SEC) as part of the Company's Registration Statement on Form S-4. The Registration Statement was declared effective by the SEC on January 8, 2002.

Copies of the prospectus and transmittal materials governing the exchange offer can be obtained from the Exchange Agent, Bank One Trust Company, N.A., by calling 1-800-524-9472, by faxing a request to 1-312-407-8853, or by writing to Exchanges, c/o Bank One Trust Company, One North State Street, 9<sup>th</sup> Floor, Chicago, Ill., 60602.

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. The Allegheny Energy family includes *Allegheny Power*, which delivers electric energy and natural gas to about three million people in parts of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia; *Allegheny Energy Supply Company, LLC*, which develops, owns, and operates electric generating facilities and supplies and trades energy and energy-related commodities in selected domestic retail and wholesale markets; and *Allegheny Ventures*, which invests in and develops telecommunications and energy-related projects.

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